



Car Buying Guide

WE WORK HARDER TO SAY **YES** MORE OFTEN





Car Buying Guide

Congratulations!

You have made a great decision to download the **Yes Loans Car Buying Guide**.

You have taken the first step towards getting your next new or used car.

We will help you develop a plan for buying your next car by introducing you to what you need to know before you head to the dealership.

By the time you have read this guide you should be able to buy your car with confidence, and know how to:

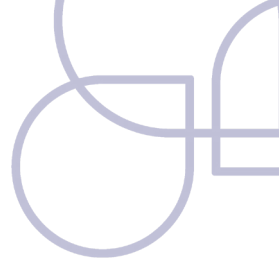
- **Decide which type of car is right for you;**
- **have your finance pre-approved before visiting the dealership; and**
- **stay in control of your finance and purchasing options.**



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1. Your Budget: Income and Expenditure



The first step toward buying a car is finding out how much you can spend.

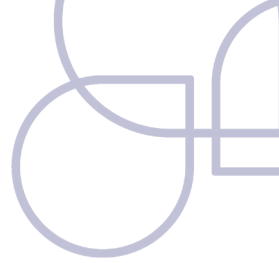
To do that, enter your monthly income after tax in the worksheet below and subtract your monthly expenses.

Add additional expenses, if necessary. The remaining balance is an estimate of what you can put toward your monthly car payment.

Monthly Living Expense Worksheet

Monthly Income:	\$ _____
Monthly Income After Tax:	\$ _____
Monthly Expenses:	\$ _____
Mortgage/Rent Payment:	\$ _____
Utilities (power, phone, gas):	\$ _____
Food:	\$ _____
Transportation:	\$ _____
Insurance (Home, Car, Life):	\$ _____
Entertainment:	\$ _____
Education:	\$ _____
Credit Card Payments:	\$ _____
Other Creditor Payments:	\$ _____
Other Vehicle Payments:	\$ _____
Miscellaneous:	\$ _____
Remaining balance for your car payment:	\$ _____

2. Before You Start Looking



- Decide what kind of car you need, e.g. four or six cylinder, wagon or sedan, manual or automatic etc.
- Set yourself a limit (budget) on how much you can afford to spend on a car. Remember to allow for stamp duty and transfer fees.
- In your budget, make allowances for the running costs of the vehicle including petrol, insurance, registration, servicing and maintenance.
- Do some research by looking at vehicles you're interested in to get an idea of how much you can expect to pay for the car.
- Find out about the availability and cost of spare parts, particularly for imported and older cars.

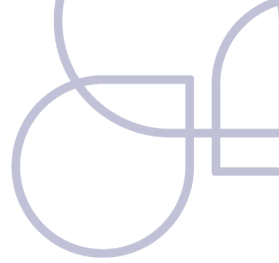
You may have already decided on a car before you found this guide, but is that car the best option for your lifestyle and budget?

Ask yourself whether you will be better off with a new or used car?

2.1. Pre-Owned Car Inspection Checklist

Area Inspected	Pass	Fail	
Exterior			Make, Model and Year: _____
Paint and chrome	<input type="checkbox"/>	<input type="checkbox"/>	_____
Glass and metal surfaces	<input type="checkbox"/>	<input type="checkbox"/>	Odometer Mileage: _____
Leaks below engine	<input type="checkbox"/>	<input type="checkbox"/>	_____
Tyres			Owner/Dealer: _____
Tread wear	<input type="checkbox"/>	<input type="checkbox"/>	_____
Spare tyre and jack	<input type="checkbox"/>	<input type="checkbox"/>	Asking price: _____
Interior			Address: _____
Carpets and up holstery	<input type="checkbox"/>	<input type="checkbox"/>	_____
Seat controls	<input type="checkbox"/>	<input type="checkbox"/>	Phone: _____
Dashboard Controls			Date: _____
Windshield washer and wipers	<input type="checkbox"/>	<input type="checkbox"/>	_____
Air conditioner, heater and defroster	<input type="checkbox"/>	<input type="checkbox"/>	Owner's Manual Included? _____
Light			_____
Dashboard and interior lights	<input type="checkbox"/>	<input type="checkbox"/>	_____
Headlights, brake, turn signals	<input type="checkbox"/>	<input type="checkbox"/>	_____
Start the Engine			_____
Engine shaking or stalling	<input type="checkbox"/>	<input type="checkbox"/>	_____

3. Accessories and Add-ons



Accessories and add-ons to a new car can increase the value of the vehicle, but may also increase the total price and your monthly car loan payment.

Below, we've listed popular accessories that you may want to add on to your new vehicle.

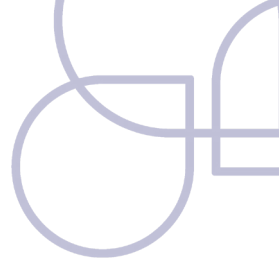
3.1. Accessories Checklist

From the list below, mark which items you consider to be a need or a want.

This will help you choose which accessories are necessary and help you stay within budget.

Features	I Need These	I Want These
Upgraded Engine	<input type="checkbox"/>	<input type="checkbox"/>
Auto Transmission	<input type="checkbox"/>	<input type="checkbox"/>
Upgraded or Sport Suspension	<input type="checkbox"/>	<input type="checkbox"/>
Traction Control	<input type="checkbox"/>	<input type="checkbox"/>
AWD (All Wheel Drive)	<input type="checkbox"/>	<input type="checkbox"/>
Upgraded Wheels and Tyres	<input type="checkbox"/>	<input type="checkbox"/>
Leather or Heated Seating	<input type="checkbox"/>	<input type="checkbox"/>
Upgraded Stereo	<input type="checkbox"/>	<input type="checkbox"/>
Navigation System	<input type="checkbox"/>	<input type="checkbox"/>
Cruise Control	<input type="checkbox"/>	<input type="checkbox"/>
Auto Dimming Mirrors	<input type="checkbox"/>	<input type="checkbox"/>
Storage Package	<input type="checkbox"/>	<input type="checkbox"/>
Upgraded Trim Package	<input type="checkbox"/>	<input type="checkbox"/>
Sunroof/Moonroof	<input type="checkbox"/>	<input type="checkbox"/>
Trailer Towing Package	<input type="checkbox"/>	<input type="checkbox"/>

4. Online Research



The internet offers many resources for car buyers and sellers to research vehicles and loan options online.

You can take a lot of the hassle out of buying and financing your next car by applying online with www.yesloans.com.au

We can help you find your next car and also offer loan pre-approval.

This is a free service to clients of www.yesloans.com.au that can save you time and money.

Once you've chosen a vehicle, we can bring it to your doorstep.

5. Financing Your Car

It's important to understand your credit situation before determining if you can finance a car, who your lender should be, and when you should begin the process of obtaining your car loan.

Yes Loans always recommends getting loan pre-approval so you know how much you can spend before visiting a car dealership.

5.1. Your Credit Score

A credit score is used to help determine the likelihood of a borrower paying back a loan. Your score is determined in part by your credit payment history. It's a great idea to review your credit report for accuracy at least once a year. If you believe it's inaccurate, you have the right to challenge that information.

At **Yes Loans** we provide you with a free copy of your credit file.

If your credit score is lower than you expected, here are some tips that could help you out:

- **Consistently pay your bills on time.**
- **Pay down your debt.**
- **Don't open a new line of credit, like a credit card or home equity loan.**
- **Maintain a solid employment history.**
- **Don't make multiple applications for loans.**

We offer a number of financial options tailored to your needs, based on your complete financial profile and credit history. Plus, we have exceptional customer service and the no-hassle experience you deserve.

6. When to Finance

Have your car loan in place before you visit the dealership. This way you can focus on getting the best price for your car. You'll know your financing terms up front, which means you can shop with added confidence.

6.1 Finance with Yes Loans

You can apply online now for a pre-approved car loan: www.yesloans.com.au

Pre-approval is subject to the credit approval criteria. Visit www.yesloans.com.au to apply.

6.2 About Interest Rates

Having a fixed interest rate for the life of your car loan allows you to know what your repayment will be from month to month, with no surprises.

If you do choose to have **Yes Loans** arrange your car loan, your interest rate will not change over the life of the loan.

That means you can be sure how much money you'll save when comparing other finance offers. Our rates are competitive.

7. Buying Your Next Car

You have several options when it comes to buying your next car. We've already mentioned some online resources to help you research and even buy your next car. Keep in mind you could always go the traditional route and visit your local dealership. Alternatively, **Yes Loans can manage the entire process for you.**

7.1 Yes Loans Car Buying Service

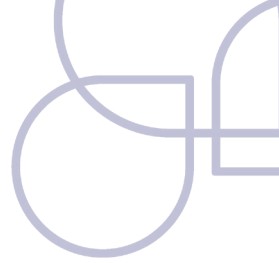
If you feel uncomfortable negotiating vehicle price but still want to get a great deal - our **Yes Loans Car Buying program** is perfect for you. We will negotiate on your behalf to get you a low, value-for-money price on any vehicle purchased through a participating dealership.

Remember, there's no need for negotiating, so you'll save time at the dealership. Just test-drive your car, complete the transaction and you're away! To save even more time, you can have your finance pre-approved.

Ready to get started?

Visit www.yesloans.com.au to get a great price on your next vehicle, with pre-approved finance.

8. Making the Deal



Too often, people try to negotiate all elements of a car deal at once. The fact is, your overall purchase is made up of several transactions that should be negotiated separately.

Besides securing car finance, there is a negotiation associated with buying the car and trading or selling a car that you already own.

8.1 Visiting the Dealership

There's usually at least one dealership in every town and they provide the opportunity for you to get to know your options up close and personal. We suggest you visit a few to research the vehicles that you're interested in and to take them for a test drive or two.

8.2 Buying Your Car

The key to fair negotiation is equal knowledge. By researching vehicle pricing before heading to the dealership, you'll become more aware of what is considered a fair price.

8.3 Trading Your Car

You can expect a dealership to offer the wholesale value of your trade-in, minus deductions for excessive wear and tear and high mileage.

Why the wholesale value instead of the retail value? When the dealership buys your used car, they are taking on the extra costs of selling it to someone else. The dealership also has to prepare the car so it can be sold.

8.4 Selling Your Car

If you want to get a higher price on your current vehicle, consider selling your car privately. Just remember, you'll have to advertise it, take the calls, meet the prospective buyers, let them test-drive your car and handle the financial transaction.

8.5 Negotiating Tips

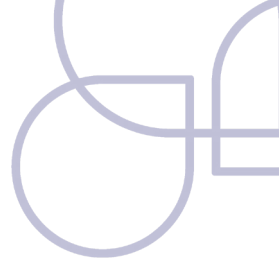
Be flexible on features. Be prepared to compromise, but only on the extra features that are not on your need list.

- **Ask questions. Be sure to understand the dealership's offer and have them explain each number presented to you.**
- **Be prepared to wait. Buying a vehicle is a big commitment. There's no need to feel rushed at the dealership.**
- **Get it in writing. Have the sales consultant give you a quote with the price, terms, and options that are included in the deal.**

Before you drive away make sure the seller has given you:

- **all keys, including those for the glove box,**
- **the service books, owner's manual and log book,**
- **instructions for working and de-activating the alarm,**
- **location of hidden ignition switch, if there is one, and**
- **radio security number.**

9. Before Signing a Contract with a Dealer



Before signing a contract with a dealer, unless you are prepared to purchase the car, do not sign an "Offer to Purchase", "Contract to Buy a Motor Vehicle" or any document as it can be legally binding.

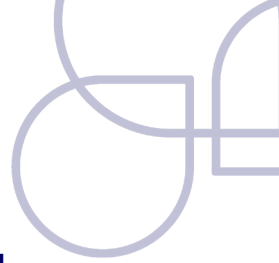
Make sure that any conditions the purchase is subject to are included as written conditions on the contract. This includes verbal promises made by the dealer about doing something to the car as part of the purchase. Any promises should be confirmed in writing on the contract.

- **All special conditions must be written out in full on the contract. You must be specific: e.g. "subject to mechanical report from XYZ Mechanics, that is satisfactory to the purchaser" or "subject to finance approval from the respective branch of ABC Bank for a loan of \$10,000, taken over 4 years with repayments of no more than \$300 per month."**
- **Make sure that any blank spaces or conditions on the contract which do not apply to your purchase are crossed out, initialled and dated by you and the dealer.**
- **Check that you can afford the contract price and that it is within your budget.**
- **Read and understand the terms and conditions of the contract thoroughly. If you do not understand something, get it clarified.**

9.1 Buying a New Car

- **Make sure you are given a definite delivery date and include it on the contract.**
Having "as soon as possible", or leaving the delivery date blank on the contract, could mean a wait of several months.
- **Check the contract for clauses that allow for a revaluation of your trade-in if the deal isn't completed within a certain time (unless you have agreed to this).**
- **Check the contract for clauses that allow for price rises to be passed on to you while you wait for delivery, unless you have agreed to this.**
- **Ensure that the paint colour of the car and interior colour codes are correctly stated on the contract.**
- **If the new car you are considering buying is in stock and able to be inspected, check that the model number and manufacture date are the same as those stamped on the compliance/ vehicle identification plates in the engine bay of the vehicle.**
- **If the car has to be ordered, make sure the correct year and model number are stated on the contract. Remember, some manufacturers bring out new models during the year, so it is important to include both.**

WE WORK HARDER TO SAY YES MORE OFTEN



10. Used Car Statutory Warranties

- **Only licensed dealers are required to provide a statutory warranty on vehicles they sell. Most, but not all, used passenger cars sold by dealers have a warranty. For example, where the cash price paid is \$4,000 or less, no statutory warranty applies.**
- **Certain types of used cars, e.g. four-wheel drives and most commercial vehicles are not always required to be covered by warranty.**
- **A statutory warranty cannot be waived unless an application has been made to, and approved by the Commissioner for Consumer Affairs at the Ministry of Fair Trading. These applications normally result because of a substantial discount offered by the dealer on the price of the car, in return for you buying it with no warranty.**

10.1 Dealer Responsibilities under a Used Car Warranty

A dealer must repair all defects which make or are likely to make a vehicle unroadworthy or unserviceable. The repair should make the vehicle roadworthy and in a reasonable condition having regard to its age. For example; it may not be necessary to fit new parts to a 10 year old vehicle if serviceable second-hand parts are available.

A dealer can arrange for someone to conduct warranty repairs. The Motor Vehicle Dealers Act does not specifically require you to return a vehicle to the selling dealer for warranty repairs but the Ministry considers it reasonable to do so in the first instance.

If you don't do this and get the vehicle repaired elsewhere at your expense, the dealer may only have to pay what his or her costs would have been to repair the defects.

If you live reasonably close to the dealer and the vehicle can be driven, you should go and see the dealer. If the vehicle cannot be driven, the dealer should arrange and pay for the cost of towing the vehicle in for repairs.

If you don't live reasonably close to the dealer and require warranty repairs, the dealer has two options. One is to arrange for a repairer in your area to fix the vehicle; the other is to transport the vehicle to his or her premises for repairs and return it when fixed. Both of these options should be at no cost to you.

A dealer does not have to give you a hire car while fixing your vehicle under warranty. Some however, make a commercial decision to supply loan cars to their customers.

10.2 Implied Warranties under the Fair Trading Act

The Fair Trading Act places certain obligations on a dealer when selling a vehicle.

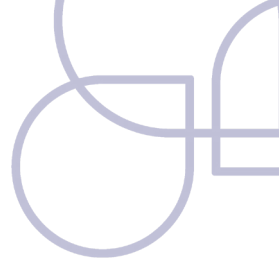
The dealer must provide a vehicle that has a clear title, matches any description which has been given and be of "merchantable quality", i.e. fit for the purpose which a vehicle of that nature is normally used.

The price of a vehicle is also taken into account when determining merchantable quality. If you buy a vehicle that is not covered by warranty under the Motor Vehicle Dealers Act, a dealer may still be responsible for some repairs under the Fair Trading Act. For example, a vehicle may be considered not to be of merchantable quality if there is a major defect which prevents it from being used in the normal way, or makes it unsafe to drive (eg. faulty brakes, faulty steering, major structural rust).

It is important to note however, that the condition of merchantable quality does not apply if:

- **defects are specifically drawn to your attention before the contract is made,**
- **you examine a vehicle for defects before the contract is made, and that examination should have identified certain faults.**

11. Buying from a Dealer



- Check the details of the car on the form which is usually found on the dashboard or hanging in the window. Don't just rely on the information contained on a website or in the paper.
- Check that the year stated as the date of manufacture is the same as the date stamped on the compliance/vehicle identification plates. This can be found in the engine bay of the vehicle.
- Check that the car is registered and when the registration expires. This applies particularly to private purchases.
- Exemptions on a used vehicle - notices are usually found on the dashboard.
- Check all accessories not covered by the statutory warranty; e.g. radio/cassette, air conditioning battery, tyres including spare, jack and tools.
- Take the car for a test drive.
- Get a complete, written independent mechanical report.

11.1 Buying Privately

Remember that buying a car privately means "buyer beware".

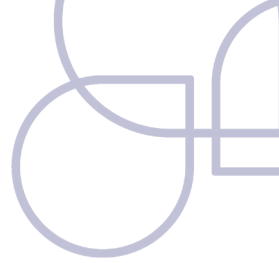
There is no warranty applicable, the car may have money owing on it or could even be stolen.

- Check that the year given to you by the seller as the date of manufacture, is the same as the date stamped on the compliance/vehicle identification plates, usually found in the engine bay of the vehicle.
- Compare the number plate details carefully with those stated on the registration papers.
- Check that the chassis number/vehicle identification number (VIN) and engine number details on the plates in the engine bay, are the same as those on the registration papers.
- Check that the car is licensed, and when the registration expires.
- Have the car mechanically inspected.

WE WORK HARDER TO SAY **YES** MORE OFTEN



12. Personal Property Securities Register (PPSR)



12.1 What is a PPSR check?

A PPSR check can tell you whether a motor vehicle or motorcycle has money owing on it before purchase. This is important because someone else (eg. a bank or finance company) may be able to repossess the vehicle you have purchased.

To conduct a PPSR check you will need;

- the motor vehicle/motorcycle registration number;
- the engine number; and
- the chassis or vehicle identification number of the vehicle.

12.2 What Information can I get from a PPSR Check?

PPSR can tell you whether the vehicle you are intending to purchase has any financial encumbrance registered against it before you make the purchase.

If there is money owing, a PPSR check can advise you on how to manage the purchase.

As a part of the PPSR encumbrance check you will also be informed if a vehicle is:

- recognised as a licensed motor vehicle;
- recorded as stolen; or
- recorded as written-off.

12.3 PPSR Checks in Your State

PPSR, previously known as REVS, was established in 1986 by the Registration of Interests in Goods Act 1986 (RIGA).

PPSR stands for the Personal Property Securities Register. It is a statutory public register which assists:

- the general public;
- the finance sector;
- and the motor trade.

The register holds information about motor vehicles and boats that have been used as security for a loan from a bank, finance company, credit union or other credit providers.

PPSR Check Australia

To obtain a PPSR vehicle check, visit: <http://www.ppsr.gov.au/Pages/ppsr.aspx>

13. Outstanding Debt on a Vehicle?

1. Ask the seller to obtain a payout figure in writing from the financier.
2. Purchase a PPSR certificate for protection against repossession of the vehicle due to financial interests that have not been registered with the PPSR.
3. Make out two (2) separate cheques - one payable to the financier for the total payout figure, and the other to the seller for the balance. Never pay the seller the full amount or leave it to them to pay their outstanding loan as you have no guarantee that he/she will pay out the debt.
4. Ask the seller and financier for a receipt. This should be done at the financier's office. Some lenders may pay the finance company directly. It is also recommended that you obtain a copy of the letter of discharge from the financier, which confirms that they no longer have an interest in the vehicle. Keep this letter with your PPSR Certificate.
5. Make sure that you finalise the purchase of the vehicle before midnight of the day after the certificate is purchased. This sequence of events ensures that the PPSR Certificate remains a valid legal document.

Please note: financiers have 14 days in which to cancel their interests with PPSR once a debt has been paid out, the certificate may still show the financial encumbrance warning even though you have paid out the debt.

The letter of discharge (or copy) from the financier is proof that the seller's debt has been paid out.

13.1 Fill out your form

Fill out this form before you make an offer to buy a vehicle. It's only a guide but you should make sure you are satisfied with all the answers.

Check that the seller's driver's licence matches the name on the registration papers. Does it?

Yes No

If not, who is the owner?

Why are they selling the car?

How long have they owned the vehicle?

Is a loan outstanding on the car and is the car secured against it?

Yes No

Has the vehicle had any accident damage repaired?

Yes No

If yes, what and when?

Does the seller have the car's "service book" showing services completed, and stamped by the dealer/ service centre?

Yes No

Do they have copies of workshop invoices for any work or services carried out?

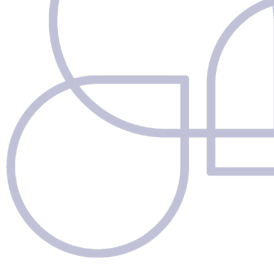
Yes No

Ask to see the registration papers. You'll want to these to record the vehicle details.

Rego expiry date:

How much registration and CTP remains?

CTP expiry date:



13.1 Fill out your form (continued)

You will need the vehicle identification details from the registration papers - you'll need them to do a PPSR check.

Chassis/VIN Number _____

Engine Number _____

Registration Number _____

You can refer to the vehicle's handbook to locate the chassis /VIN number. Now check them on the vehicle itself.

Make sure they match.

IMPORTANT - you now need to get a PPSR certificate no more than 24 hours before you buy the vehicle. If you are happy with the results of this certificate you can start negotiating with the seller to buy!

Price agreed (subject to PPSR check): _____

Seller's name (print): Seller's signature: _____

Address from vehicle registration: _____

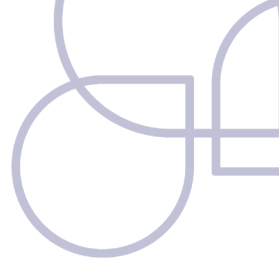
Seller's driver's licence number: _____

Date: _____

What if there is an outstanding loan against the car?

See page 11.

14. Private Purchase Checklist



Vehicle Make: _____

Vehicle Model: _____

Year of Manufacture: _____

VIN: _____

Chassis Number: _____

Colour: _____

Registration Number: _____

Registration Exiry Date: _____

Agreed Price: _____

Amount Paid: _____

Balance Remaining: _____

Date: _____

Seller Name: _____

Seller Address: _____

Seller Signature: _____

15. Car Buying Glossary



APR (Annual Percentage Rate), interest rate:	The yearly rate charged to a consumer to borrow the finance company's money. APR is usually expressed as a percentage.
Depreciation:	The value an asset loses due to wear and tear or time.
Equity (vehicle):	The value of the vehicle minus the loan amount.
Extended warranty:	A contract that covers certain car repairs or problems after the manufacturer's or dealer's warranty expires. Extended warranties are sold by car manufacturers, dealers and independent companies. With a new car, the extended warranty usually must be purchased by the end of the first year of ownership.
Interest:	The amount charged by the finance company to borrow money.
Manufacturer's Recommended Retail Price (RRP):	The retail price determined by the manufacturer and posted on the window sticker. The RRP for a vehicle includes no additional options.
Monthly Payment:	The principal and interest paid on a monthly basis over the life of the loan.
CTP:	Compulsory third party insurance.
Stamp duty:	This is a government charge - see under Stamp Duty in Buying Guide.
Dealer delivery:	This is a fee that the dealer adds to the price of the car.
PPSR: Register of Encumbered Vehicles.	This is a check to see if there is any money owing on your vehicle.

Disclaimer

The content of this car buying guide is of a general nature only and should not be considered as recommendations. It has been prepared without taking into account your objectives, financial situation and needs. You should therefore, consider the appropriateness in regards to your own objectives, financial situation and needs before acting on the content of the car buying guide. Before making decisions you should seek your own advice from a qualified person who is familiar with your individual situation.

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